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Sens. squeeze Speaker over commission

By Jared Allen and Walter Alarkon - 11/10/09 08:14 PM ET

Senators from both parties on Tuesday put new pressure on Speaker Nancy Pelosi to turn the power to trim entitlement benefits over to an independent commission.

Seven members of the Senate Budget Committee threatened during a Tuesday hearing to withhold their support for critical legislation to raise the debt ceiling if the bill calling for the creation of a bipartisan fiscal reform commission were not attached. Six others had previously made such threats, bringing the total to 13 senators drawing a hard line on the committee legislation.

You rarely do have the leverage to make a fundamental change,” said Senate Budget Committee Chairman Kent Conrad (D-N.D.), who said he hasn’t ruled out offering the independent commission legislation as an amendment to the healthcare reform bill.

The panel, which has been championed by Conrad and ranking member Judd Gregg (R-N.H.), would be tasked with stemming the unsustainable rise in debt.

Among its chief responsibilities would be closing the gap between tax revenue coming in and the larger cost of paying for Social Security, Medicare and Medicaid benefits. The Government Accountability Office recently reported the gap is on pace to reach an “unsustainable” \$63 trillion in 2083.

The panel would also have the power to craft legislation that would change the tax code and set limits on government spending.

The legislation would then be subject to an up-or-down vote; it could not be amended.

Pelosi (D-Calif.) has scoffed at the idea of taking control over taxes, spending and social welfare programs away from her committee chairmen.

But Pelosi also knows Congress is under pressure to raise the cap on what the federal government can borrow by mid-December. If the debt ceiling is not raised above its current \$12.1 trillion mark by then, the government will exceed its borrowing limits and will be forced to default on the debt. Economists have warned that the inevitable result would be a lowering of the U.S. credit rating, triggering substantial increases in the interest rates the government is already paying.

Raising the debt ceiling has become one of a handful of “must-pass” pieces of legislation Congress regularly considers without the usual partisan posturing, and often without much debate.

But before Tuesday’s hearing was over, Sens. Conrad, Gregg, Evan Bayh (D-Ind.), Dianne Feinstein (D-Calif.), Mark Warner (D-Va.), Joe Lieberman (I-Conn.), George Voinovich (R-Ohio) and Jeff Sessions (R-Ala.) publicly vowed to vote against raising the debt ceiling if a budget reform commission bill doesn’t come along with it.

“There are rare moments in this institution when you can implement fundamental change,” Bayh said during Tuesday’s hearing. “This is one of them.”

(OVER)

Asked last week about growing support in the Senate for the commission, Pelosi was unyielding.

"How we proceed should, I think, have a strong basis in our committees in the Congress," she said. "They are bipartisan, they are elected by the people. They can have public and open hearings on different initiatives in relationship to curtailing the growth of entitlements."

The House has already passed a \$925 billion increase to the current \$12.1 trillion debt limit. And with the Treasury Department reporting that the government is already perilously close to that \$12.1 trillion ceiling and will likely breach it by mid-December, it would seem as though the House has the upper hand.

But new estimates show that even a \$925 billion increase won't get the government through the 2010 midterm elections. Many lawmakers want both chambers to agree now on a larger increase in order to get the issue off the table until after voters weigh in on the job performance of the 111th Congress.

That has budget hawks across Congress feeling as though the Senate will be able to win in a game of legislative chicken with the House, even against Pelosi.

Rep. Jim Cooper (D-Tenn.), who along with Rep. Frank Wolf (R-Va.) has proposed an alternative commission plan, said the Senate has leverage in this debate.

"If these senators are willing to condition their support for the debt limit on addressing our long-term fiscal crisis, it will be hard for the rest of Congress to ignore them," Cooper said.

Beyond Pelosi's office, other House leaders were heeding the warning bells being sounded by key Democratic chairmen and centrists in the Senate.

"While failing to increase the debt limit is not an option, the need to raise the debt limit should be accompanied by a serious discussion about possible actions we can take to deal with our fiscal challenge," House Majority Leader Steny Hoyer (D-Md.) said in a statement. "Putting in place a mechanism to deal with our long-term fiscal shortfalls, as well as legislation restoring statutory pay-go, should be a part of that discussion."

Conrad, Gregg, Cooper and others differ on how much authority Congress can yield to an outside panel — even one consisting of senators and House members. But they all agree Congress lacks the political wherewithal to make potentially drastic cuts to Medicare, Medicaid and Social Security, or raise taxes, in the name of fiscal responsibility.

"I don't mind giving regular order a chance," Gregg said. "But it's had the chance for years."

And Conrad signaled that he may likewise have run out of patience with the status quo, suggesting that if Democratic leaders refuse to couple a vote on a bipartisan fiscal task force of some kind with the debt limit increase, he would seek to attach a commission proposal to other crucial legislation.

"There are other vehicles," Conrad said Tuesday, "including healthcare."

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